

Child Support Enforcement Program



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Child Support Enforcement Program

Introduction

In Wisconsin and nationally, there is a significant difference in the economic well-being of children who are raised in two-parent families and children raised in families headed by a single parent. Wisconsin census data for 2000 (the most recent year available) indicate that, among all Wisconsin families (both single- and two-parent households), 9% of children under the age of 18 and 12% of children under the age of five lived in households with income below the federal poverty level. However, 28% of children under the age of 18 and 43% of children under the age of five who lived in single-parent, female-headed households lived in poverty.

Among Wisconsin households with children, proportionately more were headed by single parents in 2000 than thirty years ago. The percentage of Wisconsin households with children headed by a married couple declined from 91% in 1970 to 74% in 2000. In contrast, the percentage of households with children headed by a single woman rose from eight percent in 1970 to 19% in 2000, while the percentage of households with children headed by a single man rose from two percent in 1970 to six percent in 2000.

The child support enforcement program is designed to ensure that parents provide financial and medical support for their children. In addition, the program helps reduce public welfare spending for single-parent families. The creation of Title IV-D of the Social Security Act in 1975 and subsequent federal and state legislation was a response to an

increasing awareness that most families are eligible for public welfare programs solely due to the absence of a parent as a result of a nonmarital birth, divorce, desertion, or separation.

In 1996, the federal Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193, also referred to as PRWORA) abolished aid to families with dependent children (AFDC) and related programs and replaced them with a block grant program called "temporary assistance for needy families" (TANF). As part of this new federal law, states must operate a child support and paternity establishment program meeting federal requirements in order to be eligible for TANF funds. The new federal law also required states to increase the percentage of fathers identified, establish an automated network linking all states to information about the location and assets of parents, and to implement additional paternity establishment and support enforcement provisions. Wisconsin made a number of changes to its paternity establishment and child support enforcement laws in order to conform to P.L. 104-193 in 1997 Wisconsin Act 191.

The Office of Child Support Enforcement (OCSE) in the U.S. Department of Health and Human Services (DHHS) administers the child support program at the federal level. The primary federal responsibilities include: (a) establishing regulations and standards for state child support programs; (b) reviewing and approving state Title IV-D plans; (c) evaluating and auditing state programs; and (d) operating the federal parent locator service. The federal government provides

funding to the states to offset the costs of child support administrative and enforcement activities. In order to receive federal funding, state child support enforcement programs must conform to certain federal regulations and standards.

In Wisconsin, the Department of Workforce Development (DWD), Bureau of Child Support administers the child support enforcement program. The Bureau's primary responsibilities include: (a) developing and administering the state Title IV-D plan; (b) monitoring the activities of local agencies to ensure compliance with state and federal law and policies; (c) providing technical assistance, training, and written instructions for county child support agencies; (d) collecting and disbursing child support payments; (e) operating the state parent locator service and a central registry to expedite processing of interstate cases; (f) coordinating intercept programs, property liens, and license suspensions for failure to pay child support; (g) operating a financial record matching program; (h) developing and maintaining a statewide automated child support data system; (i) operating a state directory of new hires; (j) approving reimbursement payments for allowable costs, distributing incentive payments, and establishing fees for non-W-2 child support services; (k) maintaining statewide records of collections and disbursements and providing reports to OCSE; (l) publicizing the availability of child support services; and (m) maintaining the child support lien docket.

Prior to July 1, 1996, the State Department of Health and Social Services administered the child support enforcement program. However, responsibility for these activities was transferred to DWD under 1995 Wisconsin Act 404.

Counties are required to contract with DWD to implement and administer the program at the local level. County responsibilities include: (a) establishing child support and medical support orders; (b) establishing paternity; (c) providing data related to support orders; and (d) enforcing

medical and financial child support orders. In order to carry out these activities, counties enter into cooperative agreements with the offices of the corporation counsel or private attorneys, clerks of court, sheriffs, and other officials and agencies. The attorneys responsible for child support enforcement, corporation counsel, circuit court commissioners, clerks of court, and all other county officials are also required to cooperate with the Department, as necessary, to provide the services required under the program.

This paper provides information on federal and state child support enforcement provisions, how child support amounts are determined in Wisconsin, the various methods used by counties and the state to enforce child support orders, and how these enforcement services are funded.

Establishment of Paternity

In 2000, a total of 69,289 babies were born to women who were Wisconsin residents. Of these babies, 30% were born to unmarried mothers. This reflects an increase in the proportion of nonmarital births in Wisconsin from 24% in 1990. Nationally, 33% of all babies born in 2000 were born to unmarried mothers.

A man cannot be ordered to support a child unless he is presumed to be the child's father based on marriage, has filed a voluntary acknowledgment with the state registrar, or is adjudicated the father by a court.

Presumption of Paternity Based on Marriage

Under Wisconsin law, a man is presumed to be the natural father of a child if: (a) he and the child's mother are, or have been, married to each other and the child is conceived or born after marriage, but before the granting of any legal separation,

annulment, or divorce; or (b) he and the child's mother were married to each other after the child was born, but they had a relationship with one another when the child was conceived, and no other man is presumed to be the father under (a) or has been adjudicated to be the child's father.

A presumption that a man is the natural father of a child is rebutted if a genetic test shows that another man is not excluded as the child's father and that the statistical probability of the other man's parentage is 99.0% or higher, even if the man presumed to be the father is not available for genetic tests.

Presumption of Paternity Based on Voluntary Acknowledgement

A man who is not married to the child's mother is presumed to be the natural father of a child if he and the mother have acknowledged paternity by filing a signed statement with the state registrar and no other man is presumed to be the father. A statement acknowledging paternity, that has not been rescinded, is a conclusive determination of paternity and has the same effect as a judgment of paternity. An action for custody, child support, or physical placement rights may be brought once the statement of acknowledgement is signed and filed. The statement must contain an attestation clause showing that both parties received notice of the legal consequences of, the rights and responsibilities arising from, and the alternatives to, signing the statement. If any parent is under age 18, their parent or legal guardian must also sign the statement.

A statement acknowledging paternity may be rescinded if the person rescinding the statement files a document with the state registrar. The rescinding document must be filed before the day a court or circuit court commissioner makes an order involving the man or 60 days after the acknowledgement statement was filed, whichever is earlier. If the person rescinding the statement

was under age 18 when the acknowledgment statement was filed, the rescinding document must be filed before the day a court or circuit court commissioner makes an order affecting the man, or within 60 days after the person attains age 18, whichever is earlier.

A statement acknowledging paternity may be voided at any time if fraud, duress, or mistake of fact is demonstrated. If a court finds that a man who had previously filed a statement acknowledging paternity is not the child's father, the court must vacate any order entered in reliance on that statement, and no further paternity action may be brought against the man with respect to the child.

Adjudication of Paternity

Under current law, the following persons may bring a legal action to determine the paternity of a child: (a) the child; (b) the child's natural mother; (c) a man presumed to be the child's father (unless a statement acknowledging paternity is filed); (d) a man alleged or alleging himself to be the father of the child; (e) the child's legal or physical custodian; (f) a guardian ad litem appointed on behalf of the child; (g) a grandparent (or alleged grandparent) of the child, in conjunction with a petition for visitation rights or if the grandparent is potentially liable for maintenance of the child; and (h) under certain circumstances, a state or county child support enforcement attorney. In general, an action to establish paternity must be commenced within 19 years of the child's birth.

A court may enter a paternity judgment at either the pretrial hearing (based upon the agreement of the parties) or the trial. In addition, a paternity judgment may be entered if the father files a written stipulation acknowledging his paternity and resolving issues of child support, legal custody, and physical placement. A judgment or order determining paternity must contain the following: (a) an adjudication of paternity; (b)

orders for legal custody and physical placement; (c) an order requiring either or both parents to contribute to the support of a child who is less than 18 years of age (or a child less than 19 years of age if the child is pursuing a high school diploma or its equivalent); (d) a determination of which parent can claim the child as an exemption for federal or state income tax purposes; (e) an order requiring the father to pay or contribute to reasonable expenses associated with the mother's pregnancy and the child's birth; and (f) an order requiring either or both parents to contribute to the cost of a guardian ad litem, genetic test, attorney fees, and other costs.

Under the paternity judgment, liability for past support is limited to the period after the day the petition for determination of paternity was filed. An exception to this limitation is provided if both of the following are shown to the satisfaction of the court: (a) the petitioner was induced to delay because of duress, threats, promises made by the other party upon which the petitioner relied, or actions taken by the other party to evade paternity proceedings; and (b) that, after the inducement ceased to operate, the petitioner did not unreasonably delay commencing the action. State law specifies that liability for past support may not be imposed for any period before the birth of the child.

If an alleged father fails to appear for a scheduled court hearing or a scheduled court-ordered genetic test, a court must enter a default judgment adjudicating him to be the father as well as appropriate orders for child support, legal custody, and physical placement. A default paternity judgment takes effect 30 days after the orders are served on (or mailed to) the father unless, within that 30-day period, he presents to the court good cause for failing to appear. A default paternity judgment may be reopened upon motion within one year or at any time upon a showing of good cause. The alleged father may still be adjudicated the child's father if the mother fails

to appear at certain proceedings. The court or court commissioner may dismiss a paternity action and refuse to order genetic tests if it is determined that it is not in the best interest of the child to determine if the man is the child's father.

Finally, a paternity judgment may be entered if the father files a written stipulation acknowledging his paternity and resolving issues of child support, legal custody, and physical placement. A stipulated paternity judgment may be reopened upon motion within one year after the judgment or at any time upon a showing of good cause, unless each party appeared personally before the court at least one time during the proceeding.

Genetic Tests

If paternity is contested, the court may, and upon the request of a party or by the guardian ad litem must, order the mother, child, and any alleged father to submit to genetic tests. County child support agencies also have the authority to order genetic tests. An alleged father may be asked to submit to a genetic test only if there is probable cause to believe he and the child's mother engaged in sexual intercourse during a possible time of conception. If the genetic tests show that the alleged father is not excluded and that the statistical probability of the alleged father's paternity is 99.0% or higher, the alleged father is rebuttably presumed to be the child's father. If the results of the test exclude the man as the father of the child, this evidence is conclusive evidence of nonpaternity and the paternity action is dismissed. Contested paternity actions are usually settled by the results of the genetic tests, although some cases go to trial.

The county initially pays the cost of genetic tests. However, at the close of the paternity proceeding, the court may order either or both parties to reimburse the county if they have sufficient resources. If two or more identical tests were performed on the same person, the person

requesting the subsequent tests must pay for them in advance, unless the court finds that person to be indigent. If the county child support agency orders genetic tests and the test shows a probability of 99% or greater that a man is the father, the agency may seek reimbursement from either or both parties for the costs of the test.

At any time while a paternity action is pending and a genetic test shows that the alleged father is not excluded as the child's father, the court may make a temporary order for the payment of child support and the child's health care expenses. Before making a temporary order under this provision, the court must consider the same factors that are considered in granting a final judgment of paternity.

Paternity Cases Involving Public Assistance

Federal law requires applicants for, and recipients of, TANF assistance to assign their support rights to the state in order to receive benefits. In addition, each TANF recipient must cooperate with the state to establish paternity and to obtain child support payments.

All paternity cases involving recipients of Wisconsin Works (W-2), medical assistance (MA), food stamps, and child care assistance are referred to the appropriate county child support agency. The county agency must attempt to establish paternity in nonmarital cases. In some situations, such as those possibly involving incest or sexual assault, an action to establish paternity may be waived if it is in the best interest of the child to do so.

Each parent (whether the custodial or noncustodial parent) must cooperate in good faith with the child support agency in establishing paternity and obtaining support payments in order to be eligible under W-2, unless good cause can be shown for refusing to do so. Good cause may be established in a number of ways, such as

demonstrating that cooperation may reasonably result in serious physical or emotional harm to the child, the parent, or other caretaker relative. A W-2 group whose members have failed to meet this requirement three times is ineligible for benefits, until all members of the group cooperate or for six months, whichever is later. Cooperation with child support enforcement efforts is also required as a condition of eligibility for food stamps, child care assistance, and MA coverage. However, cooperation with the child support agency is not a condition of MA eligibility for children or pregnant women.

State Paternity Establishment Program

For a birth that occurs at, or en route to, a hospital and if the child's parents are not married, the hospital must give the mother a pamphlet on how to add the father's name to the birth certificate and a form for the voluntary acknowledgment of paternity. Before the parents sign the form, trained, designated hospital staff must provide the child's parents with oral and written information about the form and the significance and benefits of, and alternatives to, acknowledging paternity. DWD provides training to hospital staff regarding the provision of this information. If the form is completed while the mother is in the hospital and within five days after the birth, the hospital must send the form directly to the state registrar.

DWD pays the hospital a \$20 financial incentive if the statement is filed within 60 days after the child's birth. The Department estimates that such payments, which are made from general child support funds, total approximately \$95,000 annually.

The state also provides incentive payments to counties based on performance standards, including paternity establishment and support collections. This funding program is described later in this paper.

Establishing Support

Whenever a court enters a judgment of annulment, divorce, or legal separation; approves a stipulation for child support; enters an order or judgment in a paternity action for child or family support; or in actions to compel support or in voluntary acknowledgements of paternity, the court must direct either one or both parents to pay an amount reasonable or necessary to fulfill the parental responsibility to provide for their minor children. The parental support obligation continues until a child reaches age 18, unless the child is pursuing an accredited course of instruction leading to a high school diploma or the equivalent. In these cases, the support obligation continues until the child either completes a high school diploma or the equivalent or turns age 19, whichever comes first. As a result of provisions contained in 2001 Wisconsin Act 16, the 2001-03 biennial budget act, the amount of support ordered must be expressed, with limited exceptions, as a fixed dollar amount in the order. Previous law had allowed this amount to be expressed in one of three ways: as a percentage of parental income, as a fixed sum, or as a combination of both (that is, as the greater or lesser of either a percentage of parental income or a fixed sum). The reasons for this change are discussed in the section of this paper on federal incentive payments.

State law requires the court to determine the child support amount by using the percentage standard established by administrative rule (DWD 40). Under this standard, the amount of child support is based on the obligor's income and the number of children that are to be supported. Special provisions apply to cases in which a parent has support obligations in more than one family and when both parents have substantial periods of physical placement.

Determining Child Support Using the Percentage Standard

Under the percentage standard established in DWD 40, the amount of child support is based on the income of the parent obligated to pay support (payer) and on the number of children that are to be supported, as follows:

- a. for one child, 17% of the payer's income;
- b. for two children, 25% of the payer's income;
- c. for three children, 29% of the payer's income;
- d. for four children, 31% of the payer's income; and
- e. for five or more children, 34% of the payer's income.

The percentage of income standard is applied to the payer's actual and imputed gross income available for child support. Actual gross income includes wages and salary, interest, dividends, unemployment compensation, net rental income, self-employment earnings, and all other income except for public assistance. Imputed income available for child support is the amount of income ascribed to assets which are underproductive or to which income has been diverted to avoid paying child support or from which income is necessary to maintain the child or children at the economic level they would enjoy if they were living with both parents. Imputed income is determined by multiplying the total net value of such assets by the current six-month treasury bill rate, or any other rate that the court determines is reasonable, and subtracting the actual earnings of the assets. In determining the payer's base income amount, the court may adjust gross income by adding wages paid to dependent household members and deducting necessary business expenses.

As an example, if a payer's annual gross income is \$30,000 and the payer is ordered to provide support for one child, the monthly support obligation would be \$425. This amount is determined by multiplying the payer's \$2,500 monthly income ($\$30,000 \div 12$) by the 17% standard for one child. The court may order the payee to waive the personal exemption for the dependent child for federal income tax purposes, contingent on the receipt of child support payments.

If the income of the parent obligated to pay child support is less than that parent's earning capacity, or if both parents' incomes are considered (certain shared-time payers) and the income of one parent is less than that parent's earning capacity, the court may establish support by applying the percentage standard to: (a) an amount determined by the court to represent the payer's ability to earn, based on the payer's education, training, and work experience, and the availability of work in or near the payer's community; or (b) the income a person would earn by working 40 hours per week for the federal minimum wage.

The percentage standard established in DWD 40 is based on research, conducted by the University of Wisconsin's Institute for Research on Poverty in 1982, which produced estimates of the amount of income and disposable assets that parents use to raise their children. The intent of the standard is to ensure that, to the extent possible, a child's standard of living is not adversely affected because his or her parents do not live together.

The court may, upon request, modify the amount of child support payments determined by using the percentage of income standard if the court finds by the greater weight of the credible evidence that use of the percentage standard is unfair to the child or to any of the parties. The court may consider the following factors:

a. the financial resources of the child;

- b. the financial resources of both parents;
- c. maintenance received by either party;
- d. the needs of each party for support at a level equal to or greater than the federal poverty level;
- e. the needs of any person, other than the child, whom either party is legally obligated to support;
- f. if the parties were married, the standard of living the child would have enjoyed had the marriage not ended in annulment, divorce, or legal separation;
- g. the desirability that the custodian remain in the home as a full-time parent;
- h. the cost of day care if the custodian works outside the home, or the value of custodial services performed by the custodian if the custodian remains in the home;
- i. the award of substantial periods of physical placement to both parents;
- j. extraordinary travel expenses incurred in exercising visitation rights;
- k. the physical, mental, and emotional health needs of the child, including the costs of health insurance and uninsured health care for the child;
- l. the child's educational needs;
- m. the tax consequences to each party;
- n. the earning capacity of each parent, based on each parent's education, training, and work experience, and the availability of work in or near the parent's community;

o. the best interests of the child; and

p. any other factors that the court in each case determines are relevant.

If the court deviates from use of the percentage of income standard, the court must state, in writing or on the record, its reasons for finding that use of the percentage standard is unfair to the child or the parent, the amount of the modification, and the basis for the modification.

Unpaid child support equal to or greater than the amount due in one month accrues interest at a rate of 1% per month. The interest is added to the amount owed by the payer.

DWD 40 also includes special provisions for determining child support obligations in situations under which: (a) an individual has child support obligations in more than one family (serial-family payers); (b) a child has substantial periods of physical placement with each parent (shared custody); and (c) an individual has custody of some, but not all, of his or her children (split custody).

Revising Child Support Orders

A final judgment or order for child support is periodically subject to modification by court order. A party seeking to modify a child support order may commence an action without the assistance of an attorney. The circuit court commissioner must provide information relating to the procedure for modifying child support orders and the major issues usually addressed in such actions. Some counties also provide "do-it-yourself" packets for filing such actions. If a party desires legal assistance, he or she may seek the services of a private attorney. Alternatively, recipients of child support may seek child support modification services from the county child support agency.

These services are provided free of charge to persons receiving foster care assistance, medical assistance, food stamps, W-2 benefits, child care subsidies, or kinship care payments. A nominal fee may be charged to parents who do not receive assistance under these programs.

The following sections describe provisions relating to the revision of child support orders.

Venue for Actions to Revise Child Support Orders

Actions to modify a child support judgment or order generally must be filed in the county where the original judgment or order was rendered or in the county where the minor children reside. However, such actions may be filed in another county if: (a) all parties stipulate to filing in another county; or (b) the court in the original county orders the action to be filed in another county upon a showing of good cause.

Factors Considered in Actions to Modify Support

The amount of child support stipulated under a child support order or judgment may be modified only if the court finds a substantial change in the circumstances of the parties or the children. Under state law, several occurrences give rise to a rebuttable presumption that a substantial change of circumstances has occurred. These include:

- a. Commencement of participation in W-2 by either parent since the entry of the last child support order;
- b. The expiration of 33 months since the date of the last child support order, except in the case of a percentage-expressed order;
- c. Failure of the payer to furnish a timely annual financial disclosure; or
- d. A difference between the amount of child

support ordered by a court and the amount that would have been required based on the percentage standard, if the court did not use the percentage standard in determining the child support payments and did not explain its reasons for doing so.

In addition to the above-identified rebuttable presumptions, the statutes specify several other occurrences that may be found to constitute a substantial change in circumstances. These conditions include: (a) a change in the payer's income from the last time support was set (except for orders expressed as a percentage of income); (b) a change in the needs of the child; (c) a change in the payer's earning capacity; and (d) any other condition the court determines to be relevant. A substantial change in the payer's cost of living, by itself, is not a sufficient basis for modifying child support if the support is expressed as a percentage of the obligor's income.

If the court decides to modify a child support order, it generally may not revise the amount of support due, or the arrearages that have accrued, prior to the date that notice of the action to modify the order is given to the responding party, except to correct previous errors in calculations. However, the statutes specify exceptions to this restriction to allow the court to grant credit against support due for certain payments the non-custodial parent may have made to the custodial parent that fall outside the regular court-ordered support. Examples include non-regular payments made directly to the custodial parent by check or money order that--by a preponderance of the evidence--can be shown to be intended for support (and not, for example, as a gift to the child) and payments made to the custodial parent that can clearly be shown to have resulted from a written agreement under which the payee expressly agreed to accept the payments in lieu of child or family support (subject to the restriction that the payments were not gifts or contributions for entertainment).

Determining the Amount of Modified Support

In modifying a child support order, a court must apply the percentage-of-income standard discussed above. If married or remarried, the obligor is treated as if he or she were single for purposes of applying the percentage standard. Thus, the percentage standard is applied only to the income of the obligor and not to the income of that parent's spouse. Upon request of a party to the action, the court may deviate from the percentage standard if it finds by the greater weight of the credible evidence that the use of the percentage standard is unfair to the child or any of the parties. In determining whether the percentage of income standard is unfair, the court must consider the factors identified in the section entitled "Establishing Support."

Under state law, if the state is a real party in interest, DWD must periodically review the case to determine if a modification is necessary. The state is a real party in interest whenever: (a) in an action to establish paternity, a completed application for child support services has been filed with the child support agency or the agency has received notice that no father is named on the child's birth certificate; (b) in an action to establish or enforce a child support obligation, a completed application for legal services has been filed with the child support agency; or (c) the child receives or has received medical assistance, kinship care, AFDC, or foster care benefits, or the custodial parent receives or has received W-2 benefits. If the county child support agency determines that criteria exist for a modification of the child support order, the agency must seek a modification of the order.

Annual Adjustments in Support

A child support order may provide for an annual adjustment to the support obligation based on a change in the payer's income and based on the percentage standard established by administrative rule DWD 40. No adjustment may be made under

this provision unless the order specifically allows for the adjustment, and an adjustment under this provision may not be made more than once per year. However, there is no limit on a party's right to file, at any time, a petition for a change in the support amount under other sections of Wisconsin's child support enforcement laws.

2001 Wisconsin Act 16 modified the existing statutes providing for annual adjustments to allow either party--not just the person entitled to the payments--to request such an adjustment. In the order, the court or circuit court commissioner must specify what information the parties are required to exchange to determine whether the payer's income has changed, as well as the manner and timing of the information exchange. In addition, if the order provides for an annual adjustment, a form must be provided by the court or circuit court commissioner for the parties to use in stipulating to an adjustment of the support amount. The form must include an order, to be signed by a judge or circuit court commissioner, for approval of the stipulation of the parties.

If the payer's income changes from the amount used in determining the existing support order, the parties may implement an annual adjustment by stipulating to the changed income amount and the adjusted support amount, using the form described above. An adjustment made in this way takes effect on the date when the revised order is signed by the judge or court commissioner.

If the payer's income changes, but a party refuses to sign the stipulation for an adjustment in the amount of support, any party (including the state if the state is a real party in interest) may file a motion, petition, or order to show cause for implementation of an annual adjustment. Such a filing may also be made if a party refuses to provide the information required by the court in order to determine whether the payer's income has changed. If it is determined after a hearing that an adjustment should be made, the court or circuit

court commissioner must enter an order for the revised amount of support. In general, such an adjustment may not take effect before the date on which the responding party received notice of the action. However, the court or circuit court commissioner has discretion to order that all or part of the adjustment not take effect until a date of the court's determination under any of the following circumstances: (a) the payee was seeking an adjustment and the payer establishes that extraordinary circumstances beyond his or her control prevent fulfillment of the adjusted support obligation; (b) the payer was seeking an adjustment and the payee establishes that the payer voluntarily and unreasonably reduced his or her income below his or her earning capacity; or (c) the payer was seeking an adjustment and the payee establishes that the adjustment would be unfair to the child.

Finally, if the court or circuit court commissioner determines that a party has unreasonably failed to provide the information required in order to determine whether the payer's income has changed, or to provide the information on a timely basis, or unreasonably failed or refused to sign a stipulation for an annual adjustment, the court or circuit court commissioner may award actual costs (including service costs, any costs attributable to time missed from employment, the cost of travel to and from court, and reasonable attorney fees) to the aggrieved party.

Medical Support Obligations

As part of a child support proceeding, courts are required to assign responsibility for, and direct the manner of payment of, a child's health care expenses. In assigning responsibility for a child's health care expenses, courts must consider specific factors, including: (a) whether a child is covered under a parent's health insurance policy or plan at

the time of the court action; (b) the availability of health insurance to each parent through an employer or other organization; (c) the extent of coverage available to a child; and (d) the costs to the parent for the coverage of the child. Courts may require a parent to initiate or continue health care insurance coverage for a child and to provide copies of necessary program or policy identification to the custodial parent.

Courts may, in directing the manner of payment of a child's health care expenses, order that payment be withheld from the payer's income and sent directly to the appropriate health care insurer, provider, plan, or to DWD (or its support collection designee). An employer who receives a notice of assignment for health insurance premiums must send the withheld premiums to the appropriate insurer, provider, plan, or to DWD (or its designee). Alternatively, a court may order that medical support payments be withheld from a payer's income and sent to DWD (or its designee) for disbursement to the person, other than a health care insurer, to whom payment has been awarded. In addition, if a court orders a parent to initiate or continue health insurance for a child under a health insurance policy available to the parent through an employer, and the court does not specify how the premiums must be paid, the court, circuit court commissioner, or county child support agency may provide notice to the employer of an income assignment for health insurance premiums.

If a court orders a person to provide coverage for a child's health care expenses and the parent is eligible for family coverage, the employer must: (a) provide family coverage for the person's child, if eligible for coverage, without regard to any enrollment period restrictions that may apply to the policy; (b) provide family coverage for the person's child, if eligible for coverage, upon application by the person, the child's other parent, DWD, or a county child support enforcement agency; (c) notify the county child support agency when coverage under the plan is in effect and,

upon request, provide copies of necessary program or policy identification to the child's other parent; and (d) after the child is covered, and as long as the parent is eligible for family coverage under the policy, continue to provide coverage for the child unless the insurer receives satisfactory written evidence that the court order is no longer in effect or that the child is covered under another policy that provides comparable coverage.

If a parent who is ordered to provide health care coverage changes employers, the county child support agency must notify the new employer and the parent (parents must notify the county child support agency of any change in employer within ten business days) that he or she must continue to provide health care coverage. The new employer is required to provide coverage to the child upon receiving the notice. The parent may, within 10 business days, request a hearing before the court on the issue of whether the order should remain in effect. The court should notify the employer if the court or circuit court commissioner determines that the order should not remain in effect.

Wisconsin insurance laws prohibit health insurance policies that provide coverage to dependent children from denying coverage, or setting a premium for any child that differs from the amount set for other dependent children, based solely on: (a) the fact that the child does not reside with the group member or insured or is dependent upon another parent rather than the group member or insured; (b) the proportion of the child's support provided by the group member or insured; (c) the fact that the child is a nonmarital child; (d) the fact that the child resides outside the insurer's geographical service area; or (e) the fact that the group member or insured does not claim the child as an exemption for federal or state income tax purposes.

In addition, if an insurer provides coverage for a child of a group member or insured who is not the child's custodial parent, the insurer must

provide information related to the child's enrollment to the custodial parent and must allow the custodial parent, a health care provider, or the Department of Health and Family Services (DHFS) to submit claims for covered services on behalf of the child to the insurer without approval of the parent who is the group member or insured. The insurer is required to pay claims directly to the health care provider, the custodial parent, or DHFS, as appropriate.

Collection of Child Support Payments

Immediate Income Withholding

In 1983, Wisconsin became the first state in the nation to implement immediate income withholding on a pilot basis. Immediate income withholding was enacted statewide in 1987. Under this process, child support is automatically withheld from an obligor's paycheck or other income source when the obligor is paid so as to prevent a child support payment from becoming overdue.

Under state law, each child support obligation constitutes an assignment to DWD (or its support-collection designee) of all earnings, pension benefits, worker's compensation, unemployment compensation, lottery prizes payable in installments, and other money due or to be due in the future. The assignment is for an amount sufficient to ensure payment under the obligation and to pay any arrearages due at a periodic rate not to exceed 50% of the amount of support due. However, the addition of arrearages may not leave the obligor with income below the federal poverty level. If the obligation for support terminates (as occurs when the child turns 18, for example), the assignment remains in effect if there are arrearages outstanding.

The court, circuit court commissioner, or county child support agency must provide notice of each

child support assignment to the last-known address of the employer or other person from whom the obligor receives or will receive money. A court may exempt a person from the withholding requirement if the court finds that income withholding is likely to cause the payer irreparable harm. In addition, the amount withheld may not exceed the maximum amount allowed under federal law. Federal law limits the maximum amount that can be withheld to 50% of the obligor's disposable income if the obligor is supporting dependents in addition to the person for whom support has been ordered (60% if the obligor is not supporting other dependents). These amounts may be increased by 5% if the withholding is to enforce certain past-due obligations. As described below, a court also may require the use of a deposit account in lieu of withholding. Child support withholding assignments have priority over any other assignment, garnishment, or similar legal process under state law.

If immediate income withholding is not required, the court or circuit court commissioner must initiate income withholding if the obligor fails to make a required payment within 10 days after its due date. Withholding must be implemented within 20 days after the payment's due date and a notice must be provided to the obligor and their employer (or other person from whom the obligor receives money). The notice to the obligor indicates that they may request (within 10 days) a hearing on the issue of whether the assignment should remain in effect. If requested, the hearing must be held within 10 working days. If the obligor establishes at the hearing that the assignment is not proper because of a mistake of fact, the court or circuit court commissioner may direct that the assignment be withdrawn. If the decision is made by a circuit court commissioner, either party may seek review of the decision by the court with jurisdiction over the action within 15 working days.

Employers and other persons who receive notice of assignment under these provisions or simi-

lar laws of another state must withhold the amount specified in the notice from any money paid to the obligor. Withheld child support must be remitted to DWD within five days after the employer or other person pays the obligor. In the case of amounts withheld for health care expenses, the funds must be sent to the appropriate health care insurer, provider, or plan. Along with the child support submitted, the obligor's gross income from which the payment was withheld must be reported. Each time income is withheld, the employer (or other person from whom the obligor receives money) may retain an amount to cover administrative expenses associated with withholding and remitting the funds, not to exceed \$3. The administrative reimbursement is deducted from the money to be paid to the obligor.

DWD withholds child support payments from unemployment insurance benefits and forwards the withheld amounts to the state's support collections trust fund. When money is withheld from unemployment insurance benefits, no administrative fee may be deducted and no fine may be levied for failure to withhold the money.

Child support paid through income withholding is first applied to cover support due within the calendar month during which the payment is received. Any remaining monies are applied to the payment of delinquent support and then to the payment of any interest that may have accrued.

If an employer or other person fails to withhold or remit the required amounts, the person may be proceeded against for contempt of court or required to forfeit not less than \$50 nor more than an amount equal to 1% of the amount not withheld or sent. An employer who receives an assignment for income withholding on behalf of an employee must notify DWD within 10 days after the employee is terminated or otherwise leaves employment. An employer who fails to provide such notice may be proceeded against for contempt of court.

No employer may use a withholding assignment as a basis for the denial of employment, the discharge of an employee, or any disciplinary action against an employee. An employer who violates this provision may be fined not more than \$500 and may be required to make full restitution, including reinstatement and back pay. An aggrieved person may apply to the district attorney or to DWD for enforcement of this provision.

Transfers from Deposit Account

If a court or circuit court commissioner determines that income withholding is inapplicable, ineffective, or insufficient to satisfy a child support or medical support obligation, the court or circuit court commissioner may require the obligor to identify or establish a deposit account from which funds may be periodically transferred for payment of support. The obligor must complete an authorization to transfer funds to DWD and file it with the financial institution at which the account is located. The authorization must specify the frequency and the amount of transfer, sufficient to meet the individual's child support obligation. The authorization must also include the obligor's consent for the financial institution to disclose information regarding the account to the court, circuit court commissioner, county child support agency, or DWD.

Financial institutions must transfer the specified amounts (or any available funds if the account balance is less than the authorized amount) by any lawful means, including payment by check, subject to the terms of the account. The financial institution may deduct its usual fee for such fund transfers. If the account is closed or if no funds are available at the time of transfer, the financial institution must notify the county child support agency or DWD within 10 days. An authorization for a child support transfer has priority over any other authorization for transfer and over an assignment, garnishment, or similar legal process under state law or the laws of another

state. An authorization for a child support transfer may not be revoked except by court order. No financial institution or officer, employee, or agent of a financial institution is liable to an account owner for any sum transferred, or for any information disclosed, in compliance with these provisions.

Child Support Enforcement Services

Any parent who needs help in locating an absent parent, establishing a support obligation, or enforcing or modifying a support obligation may apply for these services from the county child support agency. Parents who receive public assistance receive these services at no cost. Efforts to collect delinquent amounts generally include the collection of child or family support, maintenance, medical expenses, or birth expenses, and accrued interest and penalties. DWD and county child support agencies have the authority to subpoena financial and employment information and to obtain records from state or other governmental entities for use in enforcement efforts. Several new administrative powers were created under 1997 Act 191 in order to comply with the 1996 federal welfare reform legislation. As part of the Act 191 modifications, applications for licenses, permits, or credentials issued by state agencies and documents related to matters affecting families must include the social security numbers of the persons involved. Judicial remedies are also available for enforcing child support orders. Several enforcement services offered by child support agencies are described below.

Tax Refund, Lottery, and Benefits Intercepts

Under federal law, anyone entitled to a federal income tax refund who owes past due child support may have his or her refund check intercepted and applied to past-due support. Wisconsin law

also provides for the interception of state income tax refunds, Wisconsin lottery winnings equal to or greater than \$1,000, court judgments and settlements, and lump sum retirement benefits to satisfy past-due support obligations. In addition, certain benefits received by the obligor, such as unemployment compensation and worker's compensation, may be intercepted and applied to past due support. These activities can be initiated by DWD without a court order. Federal law also authorizes the Internal Revenue Service to assist in collecting delinquent child support obligations, if the state has made diligent and reasonable efforts to collect the amount due. However, this service is used infrequently.

Child Support Lien Docket

The federal PRWORA legislation required all states to establish a process for placing administrative liens against the property of delinquent obligors. Wisconsin's child support lien docket took effect in October, 2000. The lien docket contains the name, social security number, the amount of the lien, and the date the entry was made for obligors whose arrearages exceed a certain threshold. Initially, obligors who exceeded a threshold of \$30,000 were placed on the lien docket and were notified of the lien and enforcement actions that can be taken to enforce the lien. Approximately 4,000 obligors met this threshold. The threshold will gradually be reduced over time until it reaches \$2,000. As of November, 2002, the threshold was \$6,000, with the amount to be reduced step-wise thereafter until reaching \$2,000 in May, 2003. DWD plans to evaluate the need for further changes to the threshold at that time.

The financial record matching program was also created as part of this initiative. Amounts collected under these provisions are deposited to the support collections trust fund for disbursement to the appropriate payee.

Liens and Levies Against Property

Under state law, if a person fails to pay court-ordered support, the delinquent amount becomes a lien in favor of DWD upon all of the person's property, including accounts at financial institutions, real and personal property, tangible and intangible property, and rights to property at the time of levy. The Wisconsin Department of Transportation, for example, automatically records a child support lien on any vehicle registrations that are issued to individuals whose name appears on the child support lien docket.

Procedures are provided regarding the notification of the obligor and appeal of the lien. A lien under these provisions has the same priority, from the lien's effective date, as any other judgment constituting a lien on the property. A lien becomes effective when the information is entered into the statewide lien docket and the docket is delivered to the register of deeds. The lien is effective for a maximum of five years. Payment of the delinquent support extinguishes the lien.

A copy of the docket must be provided to the register of deeds and child support agency in each county and to each state agency that titles personal property. DWD updates the docket to reflect changes in the amounts of the liens and in response to orders issued by a court or circuit court commissioner.

If an obligor neglects or refuses to pay delinquent support after demand for payment has been made under these provisions, or has not entered into a satisfactory payment plan, DWD may enforce the lien by seizing and selling any personal property (including motor vehicles) and real property (including homesteads) and by seizing any financial accounts belonging to the obligor until the support owed and levy fees and costs are paid in full. The statutes establish a number of due-process procedures regarding notification, hearings, judicial review, and the treatment of jointly-held property. DWD must

apply all proceeds from the sale of the property first against the support and then against levy fees and costs. Any remaining amount may be refunded or credited.

In general, DWD may delegate its authority under the financial institution matching program and the provisions relating to liens and levies against property to county child support agencies. However, a county agency may not initiate a levy proceeding against real property without approval by the Department. Administrative rule DWD 43 establishes additional conditions that must be met before property can be seized.

Financial Record Matching Program

Under the financial record matching program, financial institutions, in agreement with DWD, must provide specified information for each noncustodial parent who has an account at the institution and is identified as owing past-due child support. There are two options available to financial institutions for conducting data matches, which are done quarterly: (a) DWD provides the institution with information regarding delinquent support obligors (including names and social security numbers), and the financial institution determines whether any delinquent obligors maintain an account; or (b) the financial institution provides DWD with information concerning all accounts and DWD determines whether any support obligor has an account. Financial institutions must be reimbursed for costs they incur participating in the program, up to \$125 per quarter. The information provided by DWD to financial institutions may only be used for the purpose of matching records; violations are punishable with a fine of \$25 to \$500, imprisonment for 10 days to one year, or both.

The financial record-matching program was implemented in September, 2000. DWD indicates that it currently has data-exchange arrangements with 5,100 financial institutions, both in-state and out-of-state. For the period October, 2000, through

November, 2002, 68 account seizures were implemented, yielding past-due support collections of approximately \$475,000.

License Suspension

Licensing agencies and credentialing boards are required (and the Supreme Court and the Lac du Flambeau Band of the Lake Superior Chippewa are requested) to restrict, suspend, or deny the drivers', professional, occupational, and recreational licenses of individuals who owe past-due support or who fail to comply with subpoenas or warrants relating to paternity or child support proceedings. A license restriction, suspension, or denial will remain in effect for five years (six months for failure to comply with a subpoena or warrant) or until the individual satisfies the support delinquency, complies with the subpoena or warrant, or enters into an alternative payment arrangement, whichever comes first. The licenses subject to this provision are listed in the Appendix.

DWD is required to enter into a memorandum of understanding (MOU) with the licensing agencies outlining the following: (a) the circumstances for license restriction, suspension, or denial; (b) the procedures used by DWD to certify to the licensing entity that a person is delinquent in paying support or has failed to comply with a subpoena or warrant; (c) the procedures used by the licensing entities in restricting, suspending, or denying a license and providing notice to the individual; and (d) procedures for the use of social security numbers obtained from license applications and for safeguarding confidentiality.

A delinquent obligor must owe at least three months of support and have an enforceable lien before a license can be restricted, suspended, or denied. In addition, DWD or a county child support agency must notify the individual, who may request a hearing before the circuit court that ordered the support payments within 20 business days after receiving the notice. If requested in a timely manner, a hearing must be scheduled

within 10 business days. The hearing will address only issues related to the delinquent support. If an initial hearing is not requested or full payment or payment arrangement is not made, the individual's name is placed on a certification list, which subjects the individual to license restriction, suspension, or denial for five years. Again, the individual must be notified of the certification and has 20 business days to schedule a second hearing. Licenses will not be restricted, suspended, or denied if delinquent amounts are paid in full or if satisfactory alternative payment arrangements are made. An individual whose driver's license is suspended may be eligible for an occupational license.

All subpoenas and warrants related to support or paternity proceedings must include information to the individual regarding the effect noncompliance may have on any licenses held or applied for. If the individual fails to comply, notice is provided that any license will be subject to restriction, suspension, or denial for six months. If the individual still does not satisfy the subpoena or warrant, DWD places his or her name on the certification list.

A license that has been restricted, suspended, or denied under these provisions will be reinstated or issued if the obligor pays the delinquent amount of support in full, makes satisfactory payment arrangements, or complies with the subpoena or warrant.

As of November, 2002, DWD had license suspension processes in place with the Department of Transportation, the Department of Natural Resources, and the Department of Regulation and Licensing. In addition, DWD is currently in the process of adding systems functionality that will result in license-suspension arrangements with the Division of Gaming, the State Bar, the Department of Commerce, and the Department of Agriculture, Trade, and Consumer Protection. DWD expects these arrangements to be completed sometime during 2003. Following that, the Department intends to develop suspension processes with additional

agencies, subject to the availability of information-technology resources.

Credit Bureau Reporting

DWD must disclose the amount of delinquent support to consumer reporting agencies. Individuals must be notified of the disclosure at least 20 business days beforehand. If the amounts reported are paid in full or are found to be erroneous, the consumer reporting agency must be notified within 30 days.

State Loans, Grants, and Waivers

State agencies and authorities are prohibited from providing grants, loans, or waivers to individuals who have been certified by DWD as owing delinquent support. Grant, loan, and waiver programs administered by the Departments of Military Affairs, Veterans' Affairs, Commerce, Natural Resources, and Justice, the University of Wisconsin System, the Higher Educational Aids Board, and the Wisconsin Housing and Economic Development Authority are affected by this provision. These agencies and authorities will refer to the lien docket, rather than the certification list, once the lien docket's threshold has been established at \$2,000, the final threshold amount currently planned (see section on this subject presented earlier in the paper).

Court-Ordered Employment and Training

In any action to establish or modify a child support order, state law permits courts to order either or both parents to seek employment or participate in an employment or training program as a means of increasing financial support for the child. Unemployed teenage parents (less than 20 years of age) are required to do one or more of the following: (a) register for work at a public employment office; (b) apply for jobs; (c) participate in a job training program; or (d) pursue a high school degree or its equivalent. The state employment and

work experience program for noncustodial parents who fail to pay child support is referred to as Children First. The program was operated in 39 counties and by the Lac du Flambeau tribe in calendar year 2002.

Interstate Enforcement

It is estimated that approximately 30% of a state's child support cases involve parents living in different states. It is usually more difficult to establish paternity and support orders and make collections when parents live in different states. The Uniform Interstate Family Support Act (UIFSA) is used in actions to establish, enforce, or modify support orders when the parties do not reside in the same state and in situations in which support orders have been issued in more than one state. Wisconsin's UIFSA statutes are based on the uniform act, which was drafted and approved by the National Conference of Commissioners of Uniform State Laws.

Under Wisconsin's UIFSA law, a Wisconsin employer is required to treat an order for income withholding from another state as if it were issued by a court in Wisconsin. The employer must comply with the order's terms as they relate to: (a) duration and amount of support; (b) the designated payee; (c) medical support; (d) payment of fees and costs; and (e) payment of arrears and interest. The employer must comply with Wisconsin's laws with respect to: (a) the employer's fee for processing the order; (b) the maximum amount allowed to be withheld; and (c) the time period in which the order must be implemented. In addition, Wisconsin's laws regarding the receipt of multiple orders for a single order, immunity from civil liability, and penalties for noncompliance govern Wisconsin employers in multijurisdictional support cases.

Wisconsin courts may exercise personal jurisdiction over nonresidents under limited circumstances in child support cases and paternity actions. Additionally, Wisconsin courts may make

determinations as to which order among multiple state orders is controlling (so that only one support order is in effect at any time), may provide for enforcement of interstate wage withholding, and may modify support orders of another state if either party or all the parties reside in Wisconsin or if the request is made by the nonresident party.

Parent Locator Service: Case Registries and Directory of New Hires

The PRWORA legislation provides for the establishment of federal and state directories of new hires and case registries. The federal activities operate within the federal parent locator service (PLS). The federal PLS is a computerized national location network operated by the Office of Child Support Enforcement. It provides address, employment, asset, and social security number information on persons to assist in the location of noncustodial parents and delinquent obligors. Information also may be requested of the PLS with regard to establishing custody and visitation rights, investigating parental kidnappings, adoption, or foster care.

A state's directory of new hires is a registry of all newly hired employees in that state. The state case registry is a registry of the state's TANF child support cases and all support cases established or modified in the state on or after October 1, 1998. Each state registry transmits data to the corresponding component of the federal PLS. States also are required to transmit quarterly wage and unemployment insurance data to the national directory of new hires. Further, the federal PLS can access data from the U.S. Social Security Administration, the Internal Revenue Service, the Department of Defense, the Veterans Administration, and the Federal Bureau of Investigation.

Wisconsin employers began reporting to the state's directory of new hires on January 1, 1998. Employers are required to report the name, address, and social security number of each newly hired employee in addition to their own name,

address, and identification number. Federal law requires this information to be reported within 20 days of a new employee's hire. Under Wisconsin law, as required by federal law, multi-state employers may designate another state for purposes of providing the required information upon notification of DWD and the U.S. DHHS. Employers who fail to comply may be fined up to \$25 for each new employee they fail to report. However, if the failure is found to be the result of a conspiracy between the employer and employee, a fine of up to \$500 may be imposed.

Passport Denial

PRWORA requires states to report individuals owing \$5,000 or more in support to the U.S. State Department. These individuals' passport privileges may then be restricted. DWD began implementing this provision in September, 2000.

Child Support Public Awareness Program

State law requires DWD to establish a program to increase public awareness about the importance of the payment of child support, including the publication of information, such as names and photographs, that identifies significantly delinquent child support obligors. The Department may use posters, media presentations, or other appropriate means for the publication of the information. The publications must include information about the child support owed by each obligor, and, if appropriate, must solicit information from the public to assist in locating the delinquent obligor.

Court-Ordered Enforcement Remedies

In addition to the administrative options available to DWD for enforcement of support orders, a court may order a lien against the obligor's property for any unpaid child support. Further, if the obligor fails to make support payments, the child support agency may apply to the court for permission to sell any real or personal property of the obligor in order to satisfy the debt.

Finally, a claim for child support arrearages automatically results in a lien against a ship, boat, or vessel owned by the obligor; proceeds from the sale of the vessel may be used to satisfy the child support obligation.

Child Support Collections

Table 1 identifies child support, medical support, and other support-related collections of \$906.8 million in federal fiscal year (FFY) 2002. Of this amount, DWD indicates that \$573.4 million of child and medical support was paid on behalf of families who use county child support enforcement services and that \$317.4 million was paid to families who do not use county services. The remaining \$16.0 million represents collections for costs, fees, and other debt-types that are not support-related.

Table 1: Child Support Collections Made in FFY 2002

Type of Collection	Amount
Income Withholding	\$659,581,600
Federal Tax Intercept	31,372,000
Collections Received from Other States	19,089,700
State Tax Intercept	12,590,700
Unemployment Compensation Intercept	28,630,700
Collections from Other Sources	<u>155,500,700</u>
Total	\$906,765,400

Civil and Criminal Enforcement

In situations where a person has failed to meet an obligation to support a child and where wage assignment has not been feasible, the court may, on its own initiative, and must, for an application on behalf of a person owed support, issue an order for the obligor to show cause for the nonpayment or be held in contempt of court. The obligor may be re-

quired to provide payment for past due support or be incarcerated for up to six months, or both. Other remedies designed to ensure compliance with the obligation may also be ordered. Contempt proceedings may also be initiated by the county child support agency or circuit court commissioner if court-ordered child support payments are not paid when due.

Criminal penalties for failure to provide support may also be imposed. Intentionally failing to pay child support for 120 or more consecutive days is a Class I felony (Class E felony prior to February 1, 2003), punishable by a fine of not more than \$10,000 or imprisonment for up to three-and-a-half years, or both. A person may be charged with multiple counts of felony nonsupport if each count covers a distinct period of at least 120 consecutive days. Thus, a person who intentionally fails to provide support for a period of a year could be charged with up to three counts of felony nonsupport. Failure to pay support for less than 120 consecutive days is a Class A misdemeanor, punishable by a fine of up to \$10,000 or imprisonment for up to nine months, or both.

A person who is charged with failure to support may raise the defense of inability to pay. However, a person may not demonstrate inability to provide child support if the person is employable but, without reasonable excuse, fails to diligently seek employment, terminates employment, or reduces his or her earnings or assets. A person who raises an affirmative defense of inability to pay must prove the defense by a preponderance of the evidence.

In a criminal action for failure to support, a court must (in addition to, or instead of, imposing the criminal penalty for a Class I felony or a Class A misdemeanor) order the defendant to pay the amount required under a court order for child support, including any amount necessary to meet a past legal obligation for support. If no court order exists, the court must enter an order for child

support in the manner prescribed under the family-actions statutes (see earlier section in this paper on establishing support).

The willful failure to pay a past-due child support obligation on behalf of a child residing in another state is a federal crime under the Deadbeat Parents Punishment Act of 1998 (P.L. 105-187). Under the law, any person who willfully fails to pay a support obligation for a child residing in another state, if the obligation has not been paid in more than a year or exceeds \$5,000, is subject to a fine of up to \$5,000, imprisonment for not more than six months, or both. A person who has done either of the following is subject to a \$5,000 fine or imprisonment for not more than two years, or both: (a) willfully fails to pay a support obligation for a child residing in another state, if the obligation has not been paid in more than two years or exceeds \$10,000; or (b) travels nationally or internationally to evade a support obligation, if the obligation has not been paid in more than a year or exceeds \$5,000. The court must order a person found to have violated any of these provisions to make restitution in an amount equal to the total unpaid support obligation as it exists at the time of sentencing.

Distribution of Child Support Collected on Behalf of Public Assistance Recipients

AFDC Provisions

Under prior federal law, as a condition of eligibility for AFDC, an applicant was required to assign all rights to court-ordered child support and maintenance (alimony) to the state. The assignment included all unpaid support and maintenance obligations for as long as the family received AFDC. If the child support collected was insufficient to disqualify the family from receiving AFDC payments, up to \$50 each month collected

from an absent parent was provided to the family without affecting the family's AFDC grant. Thus, the family received its full monthly AFDC payment plus the first \$50 of the child support payment made in the child's behalf for the month. This payment was referred to as the \$50 disregard or the \$50 DEFRA payment, named after the federal legislation that created it (the Deficit Reduction Act of 1984).

All child support collected on behalf of an AFDC family that exceeded the \$50 DEFRA payment was divided between the state and the federal government to offset AFDC expenditures in proportion to funding used to support the AFDC program (approximately 60% federal and 40% state). The state's share was used to offset state AFDC expenditures. The federal share was used to offset federal AFDC expenditures and to fund incentive payments to the state.

Historically, annual child support collections assigned to the state by AFDC recipients totaled approximately \$60 million. Of this amount, approximately \$10 million was paid to the recipient under DEFRA, \$20 million was retained by the state, and \$30 million was retained by the federal government.

TANF and Wisconsin Works Provisions

As noted, the 1996 federal welfare reform legislation (P.L. 104-193) eliminated the AFDC program and replaced it with a block grant program called "temporary assistance for needy families" (TANF). Like the AFDC program, under the TANF provisions, states must require recipients to assign to the state the right to collect any child support obligations that accumulated before the family received welfare as well as support that comes due while the family is receiving benefits, not to exceed the total amount of assistance provided. States may not require the assignment of support that accrues after the date the family leaves the program.

Under federal law, child support collected on behalf of families who have never received public assistance must be distributed to the family. However, in the case of families receiving assistance from the state, the state must: (a) first pay to the federal government the federal share of the support collected; and (b) retain, or distribute to the family, the remaining amount collected. The federal share is based on the federal financial participation rate for the medicaid program in effect during the year in which the collections were made (currently about 58% in Wisconsin). There is no longer a requirement for states to pass through the first \$50 of support to the family. States have the option of passing through the full amount of support to the family, but are still generally required to pay the federal government its share. Research indicates that TANF participants in most states do not receive any of the child support paid on behalf of their children. Rather, the revenue is used to defray public assistance and child support enforcement costs.

Under state law for the Wisconsin Works (W-2) program, which replaced AFDC in Wisconsin, an eligible individual must assign any right to child support to the state in order to receive cash assistance or a child care subsidy. Except for families that were assigned to the control group under the child support demonstration waiver (described below), any support money received by DWD must be paid to the W-2 participant in addition to their W-2 program benefits. As noted, federal law generally requires that the state also pay the federal government 58% of child support collections. However, in Wisconsin's case, the federal share is offset against an accumulated balance of unclaimed waiver savings, under the child support demonstration waiver.

Child Support Demonstration Project

Description and History

Prior to the 1996 federal welfare reform

legislation, Wisconsin implemented several projects under the AFDC program that required a waiver from federal law. Over the years, these projects were estimated to generate significant savings to the federal government, which have been made available to the state for various purposes. As of October 1, 2002, the balance in unused waiver savings was approximately \$69.8 million. According to federal officials, states generally may not access accumulated waiver savings because funding in excess of a state's TANF allotment may not be approved. However, DWD negotiated with the federal government access to these monies under a child support demonstration project, which was approved on February 28, 1997.

The project began in October of 1997, and included two major components. First, as noted, the share of child support that would otherwise be paid to the federal government (59% at that time) for W-2 participants who receive the full pass-through of support was offset against the waiver savings. Second, a control group of W-2 participants was established to study the impact of providing the full amount of child support to families receiving assistance. Families in the control group received the greater of \$50 per month or the 41% state share rather than the full amount of support paid. For these families, the 59% federal share was paid to the federal government as generally required. Under the demonstration project initially, a minimum of 2,000 W-2 participants were required to be assigned at random to the control group and a minimum of 2,000 at random to an experimental group, whose members received the full amount of support paid rather than just a partial share. The minimum required size of both groups was later raised to 4,000 participants each.

Results of the Demonstration Project

In April, 2001, the University of Wisconsin's Institute for Research on Poverty issued a report on

the effects of the demonstration project for cases that entered during the first three calendar quarters of the experiment. The analysis evaluated the effects of the state's pass-through policy across a variety of variables. This paper will summarize the results found with respect to four variables: support received, proportion of fathers paying support, paternity establishment rates, and overall government costs.

Support Received. The analysis found that mothers in the experimental (full pass-through) group received \$142 more in support in 1998 than those in the control group: \$641 versus \$499 for the year, on average; in 1999 the difference was somewhat smaller at \$123, but experimental group members again received greater support than their control-group counterparts. However, these impacts reflect at least in part the "mechanical effect" of the pass-through. The reason is that, by definition, a full pass-through should result in higher child support receipts for members of the experimental group, given that those in the control group had a portion of their child support payments retained by the government.

Percentage of Nonresident Fathers Paying Support. The report also examined whether offering a full pass-through would result in a higher percentage of nonresident fathers actually paying child support, since nonresident fathers seemingly would have a greater incentive to pay support if they perceived that all of the dollars would benefit their child or children, as opposed to a portion being retained by the child support system. The analysis found such a relationship to exist, although the differences were relatively small in the total group, with 52% of fathers of children in the experimental group paying child support in 1998 versus 50% of fathers in the control group doing so. The difference was more pronounced among those new to the child support and welfare systems, however. There, 58% of fathers with children in the experimental group, compared to 48% of fathers with children in the control group,

paid child support in 1998.

Paternity Establishment. The results appear to be mixed with respect to paternity establishment rates. The study found higher establishment rates for those in the experimental group relative to the control group in 1998 but no statistically significant difference in 1999.

Government Costs. The demonstration project analysis also considered the relationship between the higher pass-through and overall government costs, defined as the sum of W-2 payments, food stamps, medicaid/BadgerCare, and child care subsidies. The analysis found that providing full pass-through of child support resulted in no significant difference in overall government costs, although significant differences in some of the components of total government costs did exist. For all resident mothers, on average, total government costs amounted to \$9,654 in the experimental group and \$9,608 in the control group in 1999, a difference of only \$46. (The differential was a somewhat higher \$69 in 1998.) This finding is significant, the project report notes, because many expected that if the government were to relinquish its claim to a portion of child support receipts, considerable costs would result. Instead, the full pass-through of child support to the low-income women studied appears to have occurred without significantly raising government costs.

Assignment of W-2 participants to groups in the demonstration project ended in July, 1999. In addition, as of July 1, 2002, participants who had been assigned to the control group began receiving the full pass-through of child support.

The results of the demonstration project described above reflect an experimental research design. Although such a design can yield valuable policy insights, it has limitations in that it provides information only on the measures actually tested and cannot be used to assess the effects of other

potential policies. Further, the report cautions, the conclusions from an experimental design are not generalizable to those in other locations or to those who face a different set of policies. A follow-up report assessing the results for cases that entered after the first three calendar quarters of the experiment is expected to be released in March, 2003.

Program Administration Costs

The costs of administering the child support program in Wisconsin are supported by a combination of federal funds, state general purpose revenue, county tax revenue, program revenue collected from service fees, interest on balances in the support collections trust fund, and unclaimed child support.

Federal Funds

Federal Matching Funds

Most administrative and enforcement costs incurred by the state and counties are reimbursed by the federal government based on a federal financial participation (FFP) rate of 66% of eligible costs. Costs that are reimbursed at this rate include the costs of administering the child support enforcement program, the establishment of paternity, establishment and enforcement of support obligations, the collection and distribution of support payments, the state parent locator service, activities related to federal tax intercepts, establishing and maintaining case records, operating a computerized support enforcement system, and securing medical support. Laboratory costs for paternity establishments are eligible for reimbursement at an enhanced 90% federal rate.

Federal Incentive Payments

In addition to the matching funds, the federal government distributes incentive payments to states in order to encourage and reward state programs that perform in a cost-effective and efficient manner. Federal fiscal year (FFY) 2002 marked the first year of full reliance on a new system of incentive-payment awards. This system was implemented in phases, beginning in FFY 2000.

One hallmark of the new system is that, for the first time, states must compete against each other for incentive dollars. Under the new program, the annual incentive payment to each state is based on that state's performance, relative to the other states, on several criteria. Currently, performance on five criteria determines the amount of the award: (a) paternity establishment; (b) establishment of support orders; (c) collection of current child support due; (d) collection of child support arrearages; and (e) cost-effectiveness. Standards for a sixth criterion--medical support enforcement--are being developed. Under the previous federal incentive system, the payment was based primarily on the ratio of each state's support collections to administrative costs and the amount of support collected on behalf of certain public assistance recipients.

Wisconsin's award of federal incentive dollars under the new system has been lower than otherwise would have been the case because of this state's use of percentage-expressed child support orders--orders in which the amount of support is designated as a percentage of the payer's income rather than as a fixed dollar amount. The reduced payments stem from an audit determination by the federal Department of Health and Human Services that the use of such orders does not permit conclusive determinations of total current support due nor total amounts in arrears in the state--two criteria among the five identified above for which complete and reliable information is needed by

DHHS in order to be able to assess Wisconsin's child support enforcement performance. Among the states, Wisconsin has been the sole user of percentage-expressed orders.

To forestall any further reductions in federal incentive-payments awards, 2001 Wisconsin Act 16 required that all future child support orders be expressed as a fixed sum. Exceptions exist if the parties have stipulated to expressing the support amount as a percentage of the payer's income and if, among other conditions, the state is not a real party in interest in the case. In addition, DWD instructed county child support agencies to convert all existing percentage-expressed orders to fixed-sum orders prior to October 1, 2002, the start of FFY 2003.

Attachment 1 provides information on the relative efficiency of state child support programs between FFY 1992 and FFY 2001. The attachment shows that, in FFY 2001, the statewide collection-to-cost ratio for Wisconsin was \$6.06 in support distributions per dollar spent on enforcement efforts statewide compared with the national collection-to-cost ratio of \$4.18. Of the fifty states plus Puerto Rico, Guam, the Virgin Islands, and the District of Columbia, Wisconsin ranked seventh highest in this measure of program efficiency. Attachment 1 also shows that Wisconsin's collection efficiency has decreased by approximately 11.3% since FFY 1992, compared with a national increase of about 4.8%. Despite this divergence, Wisconsin's efficiency has exceeded the national average each year. Comparisons of 2000 and 2001 data with those of previous years are not entirely analogous, however, because of the introduction of a revised methodology for calculating the cost effectiveness data presented. The new methodology results from measures enacted in the Child Support Incentive Act of 1998. Under this system, the cost effectiveness ratio is equal to total collections plus collections forwarded to other states plus fees retained by other states, divided by total administrative expenditures

minus certain costs incurred in cases when the parents are not receiving enforcement services from the county child support agency. Prior to FFY 2000, the cost effectiveness ratio was equal to total collections divided by total administrative costs.

Federal Medical Support Incentive Payments

Federal law requires child support agencies to attempt to recover birth costs that were paid by Medicaid, rather than the responsible parents, by permitting the child support agency to retain an incentive payment equal to 15% of the amount of medical support recovered by the agency. A total of \$2.7 million was earned by counties in FFY 2001 under this program. These federal incentive payments are supported from monies that would otherwise be used to offset federally funded MA costs.

State Payments to Counties

Child Support Incentive Payments

The state distributes federal child support incentive payments and state funding to counties for child support enforcement activities. Prior to calendar year 1998, the state distributed funding to counties under three separate allocations (state supplement to the federal incentive program, a state incentive program, and order revision). Due to the changes in the federal incentive program, DWD administratively consolidated the state's three programs for counties into a single performance-based allocation. The new program was developed by DWD and county child support agencies and began with the 1998 state and county contracts. Calendar year 1998 represented a transition year from the old programs to the new, consolidated performance-based program, which was fully implemented in 1999.

Under the new incentive program, an allocation is determined for each county based on its share of statewide support cases that receive enforcement

services from a county child support agency. Each county is guaranteed 80 percent of its allocation. The remainder is awarded based upon the county's performance on one or more standards. Three standards were used to determine calendar year 2002 awards: (a) percentage of cases with a child support order; (b) percentage of children for whom paternity was established; and (c) average percentage of cases with arrearages for which a collection was made on the arrearages in each month. The new performance-based program was developed in order to improve Wisconsin's ability to compete with other states for federal incentive dollars since the new federal incentive payments are based on each state's relative performance.

The 1999-01 biennial budget bill (1999 Wisconsin Act 9) directed DWD, in consultation with the counties, to promulgate administrative rules specifying the formula under this program. Such a rule, DWD 44, was adopted in June, 2002. In addition, Act 9 specified that counties must use the funds only to pay the costs of their child support programs.

The federal and state incentive payments to counties may not exceed \$12,340,000 per year, of which no more than \$5,690,000 may be funded with state dollars. Therefore, if federal incentive payments are less than \$6,650,000 in a year, the amount paid to counties will be less than \$12,340,000. The state payments under the incentive program are funded from child support assigned to the state by public assistance recipients. A total of \$12.34 million in combined federal and state incentive payments was allocated to the counties in calendar year 2002, the maximum amount allowed under Wisconsin's statutes.

Fees for Child Support Enforcement Services

Parents who receive assistance under the W-2, foster care, MA, food stamp, child care, or kinship care programs automatically receive child support services at no cost. Under federal and state law, an

application fee must be charged to parents who do not receive public assistance, taking into account the ability to pay. Fees for child support services are charged as follows:

a. *Service application fee.* The one-time application fee for general services is \$20 (\$10 prior to January 1, 2002). These services include: (1) parent location; (2) establishment of paternity; (3) case preparation and legal action to obtain or modify support; (4) monitoring of child support payments; (5) distribution of child support payments; and (6) enforcement of court orders. This fee may be waived by a court based on an indigency determination.

b. *State and Federal Tax Intercept Fees.* A fee is charged to the custodial parent for each federal or state tax intercept, when the intercepted amount to be paid to the applicant is at least \$10. The fee is 10% of intercepted amounts, with a minimum fee of \$10 and a maximum of \$25.

Local Revenues

In addition to federal reimbursement and incentive payments, many counties support a portion of their child support enforcement costs with local revenues. According to DWD, the counties spent an estimated total of \$62.2 million on child support enforcement activities in calendar year 2001. While the majority of these expenditures were covered by federal and state payments, all but six counties provided a total of approximately \$5.9 million in county funds, including funds collected from service fees, to support the operation of their child support enforcement programs in 2001. Six counties (La Crosse, Lafayette, Monroe, Oneida, Rusk, and Winnebago) received federal and state payments that collectively exceeded their child support enforcement expenditures by approximately \$151,000.

Attachment 2 details the total costs of child

support enforcement and total reimbursement and incentive payments by county for 2001. The data are based on the county in which the court order for support was entered, rather than on the residency of the obligor or the child. Attachment 3 shows total child support collections and total child support enforcement costs by county for FFY 2001 (the administrative costs are shown for calendar year 2001).

Fees for State Services

All child support payments collected from the noncustodial parent by the state and counties for non-TANF recipients are paid to the person to whom the money is owed. However, DWD may charge a fee to counties and retain up to 50% of any federal incentive payment made to the state for amounts collected when DWD has contracted with or employed a collection agency, attorney, or other person to enforce a child support obligation of a delinquent parent. DWD may also retain 30% of the state's share of a collection made on behalf of a recipient of kinship care payments under such agreements, with use of these monies restricted to defraying administrative costs incurred in hiring the private collection agency, attorney, or other party. In addition, DWD may charge other states and counties for administrative costs related to interstate child support collections, the federal parent locator service, the interception of unemployment compensation, or the intercept of state and federal income tax refunds.

Centralized Receipt and Disbursement

Under state law prior to January 4, 1999, the county clerk of court or a support-collection designee collected and disbursed support payments. A \$25 annual fee was collected from

each support obligor for this service. However, the 1996 federal welfare reform legislation required state child support agencies to operate a centralized, automated unit for collection and disbursement of payments on child support orders enforced by the agency and payments on orders issued after December 31, 1993, which are not enforced by the state but for which income is subject to withholding. The disbursement unit generally must distribute all amounts within two business days after receipt.

Wisconsin's statewide, automated system for the receipt and disbursement of child support, maintenance (alimony), health care expenses, birth expenses, and other support-related expenses commenced operations on January 4, 1999. The system is funded from a \$35 annual receipt and disbursement fee (\$25 prior to Jan. 1, 2002) charged by DWD to support obligors (the same fee that previously was charged by the clerks of court or support collection designees), from interest on balances in the support collections trust fund, and from unclaimed child support.

Under the centralized receipt and disbursement (CR&D) function, a vendor receives all child support payments from employers and individuals, enters the information into the statewide KIDS computer system, and prints and distributes checks to the appropriate payees. Beginning January 1, 2000, state provisions regarding income withholding and assignment of support and the assignment of arrearages also applied to the CR&D fee.

Funding for the CR&D system was budgeted at \$11,068,100 in 2002-03 under Act 16, with \$9,243,900 from the CR&D fee and the remainder from interest on balances in the support collections trust fund and unclaimed support. Funding for CR&D activities is included in the KIDS budget, discussed in more detail below.

Kids Information Data System

Federal law requires each state to have a certified statewide automated child support system. The systems were required to be operational by October 1, 1997. The Kids Information Data System (KIDS) was developed in Wisconsin to replace the previous automated system, which did not meet the federal requirements. Since January, 1993, the state has contracted with IBM Global to develop the system in Wisconsin. The 1996 PRWORA legislation also imposed a number of new requirements on states relating to child support enforcement, which necessitated changes to the KIDS system. State operation of the system is generally funded at the FFP rate of 66%.

The KIDS budget for the 2002-03 state fiscal year is \$38.6 million (\$9.0 million GPR, \$17.6 million FED, \$9.2 million in CR&D fees, \$1.5 million in unclaimed support, and \$1.3 million in interest earnings from the child support collections trust fund). The \$38.6 million will be used as follows: \$19.1 million for system maintenance and change orders required by federal law and requested by the counties; \$3.3 million for DWD Bureau of Information Technology Services' costs for staff and computer equipment; \$12.9 million for the use of the Department of Administration's mainframe computer and related costs; and \$3.3 million for supplies and services (as noted above, these figures include the CR&D system). The unclaimed support component is a new revenue source made possible by provisions included in 2001 Wisconsin Act 16. Prior to enactment of Act 16, unclaimed child support dollars were subject to the state's unclaimed property laws and were deposited to the school fund.

ATTACHMENT 1

Total Child Support Collections Per Dollar of Total Administrative Expenditures Federal Fiscal Years 1992 through 2001

State	1992	1993	1994	1995	1996	1997	1998	1999	2000*	2001*
Alabama	\$3.11	\$3.27	\$2.89	\$2.24	\$3.41	\$4.14	\$3.40	\$3.47	\$3.66	\$4.01
Alaska	3.92	3.71	3.87	2.93	3.31	3.48	3.52	3.74	3.89	4.14
Arizona	1.57	1.79	1.78	1.48	2.41	2.69	2.66	2.88	3.72	4.12
Arkansas	3.15	3.20	2.63	2.75	2.77	1.98	2.88	2.95	3.28	2.83
California	2.59	2.54	2.42	2.17	2.36	2.29	2.66	2.61	3.23	2.61
Colorado	2.70	2.47	2.54	2.54	2.82	3.07	3.10	3.15	3.23	3.58
Connecticut	2.97	3.19	2.92	2.88	2.91	3.09	3.23	4.55	3.75	3.86
Delaware	2.88	2.39	2.45	2.04	2.50	2.23	2.55	2.47	3.19	2.93
District of Columbia	2.33	2.51	1.88	2.03	2.38	4.10	1.98	2.65	2.64	2.26
Florida	3.03	3.78	3.45	3.53	3.13	3.45	3.04	3.04	3.45	3.60
Georgia	4.26	4.47	4.19	3.50	3.92	3.88	3.53	3.67	3.72	3.96
Guam	1.87	1.89	2.20	1.33	2.57	1.89	1.72	2.02	2.67	1.33
Hawaii	3.94	3.79	2.92	2.36	2.18	2.35	2.60	3.01	4.54	6.16
Idaho	3.62	3.43	2.83	2.39	2.32	2.73	3.69	6.13	4.32	4.62
Illinois	2.90	2.36	2.30	2.23	2.41	2.05	2.50	2.34	2.42	2.50
Indiana	6.56	6.45	5.87	5.18	6.54	6.18	5.45	7.03	7.69	6.34
Iowa	5.79	5.14	5.05	4.72	5.23	4.87	4.79	4.72	4.24	5.27
Kansas	3.73	2.57	2.89	1.69	5.82	3.06	3.05	2.78	2.91	2.51
Kentucky	2.97	3.05	3.55	3.21	3.43	3.80	3.90	3.67	4.02	4.08
Louisiana	2.74	3.19	3.42	3.37	4.16	4.33	4.03	3.97	4.92	4.38
Maine	2.96	3.39	4.21	4.28	4.05	4.23	4.25	4.33	4.90	6.01
Maryland	4.49	4.56	4.71	4.07	4.36	4.41	4.31	4.24	3.60	4.22
Massachusetts	4.18	4.30	2.74	3.54	4.05	4.05	4.58	3.88	3.50	5.14
Michigan	8.32	8.43	7.81	7.20	6.63	6.76	7.18	7.75	5.52	4.82
Minnesota	4.27	4.20	3.89	3.96	4.36	4.14	3.85	3.40	4.11	4.13
Mississippi	2.22	2.20	2.01	2.16	2.87	3.15	3.69	4.21	4.92	5.96
Missouri	4.88	4.30	3.92	3.41	3.75	4.05	3.36	3.03	3.37	3.81
Montana	2.38	2.76	2.82	2.87	2.42	2.75	3.15	3.28	3.58	3.91
Nebraska	3.54	4.17	4.52	3.44	3.16	3.70	4.66	3.45	3.78	3.35
Nevada	3.06	2.39	2.92	2.08	2.53	1.61	2.90	2.42	2.52	3.24
New Hampshire	3.25	2.87	3.22	2.50	3.42	4.01	4.50	3.91	4.82	5.40
New Jersey	4.02	4.02	4.20	6.13	4.52	4.78	4.64	4.56	4.60	5.27
New Mexico	2.30	3.08	1.93	1.54	1.43	1.45	1.59	1.08	1.31	1.07
New York	3.22	3.10	3.39	3.39	4.03	4.01	4.16	4.27	4.90	5.07
North Carolina	3.20	3.20	3.22	2.40	2.94	2.83	2.86	2.67	3.86	4.04
North Dakota	3.93	4.05	4.13	4.13	4.34	5.14	4.75	4.11	4.61	4.19
Ohio	5.35	5.48	5.71	5.63	6.07	5.19	5.67	4.74	4.82	4.23
Oklahoma	2.69	3.13	3.09	2.70	3.06	3.03	3.10	2.98	2.83	2.90
Oregon	5.10	4.95	5.36	4.81	5.60	4.65	5.29	5.48	5.54	6.63
Pennsylvania	9.27	9.09	8.58	8.15	7.74	7.42	7.06	6.04	6.05	6.98
Puerto Rico	10.43	11.73	6.67	3.96	4.44	5.37	5.38	5.57	6.31	5.51
Rhode Island	2.31	4.35	3.21	3.45	4.31	4.33	4.18	4.06	4.44	4.23
South Carolina	3.59	3.88	3.31	2.84	3.37	4.30	4.71	4.74	5.08	4.60
South Dakota	4.82	4.90	4.87	5.27	5.87	5.79	6.13	5.85	6.95	7.72
Tennessee	3.87	5.42	4.58	3.75	4.06	3.85	3.58	4.30	4.85	4.99
Texas	2.53	2.31	2.52	3.01	3.71	3.59	3.76	3.96	4.96	5.23
Utah	3.08	2.86	2.73	1.96	2.66	2.84	3.03	2.95	3.47	3.69
Vermont	2.82	3.06	2.58	2.69	3.79	3.57	4.20	3.86	4.02	3.90
Virgin Islands	4.18	4.50	3.77	0.86	2.25	2.44	2.67	2.40	1.63	1.12
Virginia	2.90	3.09	3.77	3.63	4.18	5.23	4.53	4.13	5.00	6.12
Washington	3.29	3.42	3.43	3.35	3.53	4.06	3.74	4.37	4.53	4.55
West Virginia	2.98	2.77	2.48	3.24	3.61	4.03	4.47	3.24	4.15	4.64
WISCONSIN	6.83	7.15	7.74	6.09	5.94	5.81	5.49	5.51	6.51	6.06
Wyoming	<u>4.87</u>	<u>2.34</u>	<u>2.21</u>	<u>1.76</u>	<u>2.93</u>	<u>3.34</u>	<u>3.72</u>	<u>4.39</u>	<u>4.33</u>	<u>4.09</u>
U.S. Ratio	\$3.99	\$3.98	\$3.85	\$3.60	\$3.93	\$3.90	\$4.00	\$3.92	\$4.21	\$4.18

* FFY 2000 and 2001 data are not fully comparable with those of previous years because of the introduction of a revised methodology for calculating cost effectiveness. The new measure results in a slightly higher cost effectiveness ratio.

Source: U.S. Department of Health and Human Services, Office of Child Support Enforcement

ATTACHMENT 2

Total Child Support Enforcement Costs, Reimbursement Payments, and Incentive Payments by County Calendar Year 2001

County	Child Support Enforcement Costs	Federal Reimbursements			State Payments	Net County Costs*		
		Matching Funds	Incentive Payment	Medical Incentive		Loss/Gain	Loss	Gain
Adams	\$186,349	\$120,549	\$22,181	\$26,043	\$17,428	-\$148	-\$148	
Ashland	263,535	151,104	30,331	54,612	23,831	-3,657	-3,657	
Barron	593,533	362,566	68,351	94,686	53,705	-14,225	-14,225	
Bayfield	168,689	98,960	19,678	29,128	15,461	-5,462	-5,462	
Brown	2,438,199	1,529,774	277,523	261,963	218,053	-150,886	-150,886	
Buffalo	172,934	110,904	14,715	4,661	11,561	-31,093	-31,093	
Burnett	278,889	172,502	24,399	26,468	19,170	-36,350	-36,350	
Calumet	442,743	281,876	30,793	28,422	24,194	-77,458	-77,458	
Chippewa	683,681	454,840	65,428	6,112	51,408	-105,893	-105,893	
Clark	379,243	240,827	28,879	27,939	22,691	-58,907	-58,907	
Columbia	701,788	436,251	49,766	67,325	39,102	-109,344	-109,344	
Crawford	199,699	126,841	20,615	18,937	16,198	-17,108	-17,108	
Dane	3,967,262	2,570,337	385,972	199,843	303,263	-507,847	-507,847	
Dodge	924,762	564,501	91,474	87,308	71,873	-109,606	-109,606	
Door	387,766	244,112	31,858	32,429	25,032	-54,335	-54,335	
Douglas	719,064	404,592	89,969	110,512	70,690	-43,301	-43,301	
Dunn	499,085	316,165	60,298	36,558	47,377	-38,687	-38,687	
Eau Claire	902,691	575,736	98,432	76,414	77,340	-74,769	-74,769	
Florence	84,218	53,518	7,903	-574**	6,209	-17,162	-17,162	
Fond du Lac	960,588	583,653	107,182	127,475	84,215	-58,063	-58,063	
Forest	180,620	111,160	19,239	16,776	15,117	-18,328	-18,328	
Grant	375,682	231,941	39,510	37,664	31,043	-35,524	-35,524	
Green	244,002	151,051	33,873	27,287	26,615	-5,176	-5,176	
Green Lake	218,759	134,141	20,027	23,633	15,735	-25,223	-25,223	
Iowa	207,865	129,525	24,316	18,092	19,106	-16,826	-16,826	
Iron	86,654	56,966	8,408	256	6,606	-14,418	-14,418	
Jackson	301,740	195,231	30,637	13,800	24,072	-38,000	-38,000	
Jefferson	857,574	537,846	77,188	62,166	60,648	-119,726	-119,726	
Juneau	335,293	217,959	33,789	32,640	26,549	-24,356	-24,356	
Kenosha	3,555,663	2,259,775	273,820	126,478	215,144	-680,446	-680,446	
Kewaunee	199,416	123,191	16,020	17,992	12,587	-29,626	-29,626	
La Crosse	651,306	351,417	80,265	166,070	63,066	9,512		\$9,512
Lafayette	97,675	57,207	15,971	14,070	12,548	2,121		2,121
Langlade	378,888	237,743	32,920	22,207	25,865	-60,153	-60,153	
Lincoln	359,668	232,738	35,217	14,139	27,671	-49,903	-49,903	
Manitowoc	730,193	437,366	85,670	94,045	67,312	-45,800	-45,800	
Marathon	1,026,355	672,938	104,050	77,703	81,753	-89,911	-89,911	
Marinette	433,313	258,870	61,006	54,993	47,934	-10,510	-10,510	
Marquette	174,551	110,672	12,139	7,688	9,538	-34,514	-34,514	
Milwaukee	14,795,378	9,380,035	1,716,462	1,173,643	1,348,649	-1,176,589	-1,176,589	
Monroe	269,867	183,119	46,159	16,183	36,268	11,862		11,862
Oconto	351,684	211,391	39,514	42,792	31,046	-26,941	-26,941	
Oneida	339,350	208,936	59,488	42,891	46,740	18,705		18,705
Outagamie	1,686,110	1,038,945	135,178	157,927	106,212	-247,848	-247,848	
Ozaukee	416,986	266,484	35,779	20,340	28,112	-66,271	-66,271	

ATTACHMENT 2 (continued)

**Total Child Support Enforcement Costs, Reimbursement Payments,
and Incentive Payments by County
Calendar Year 2001**

County	Child Support Enforcement Costs	Federal Reimbursements			State Payments	Net County Costs*		
		Matching Funds	Incentive Payment	Medical Incentive		Loss/Gain	Loss	Gain
Pepin	\$ 82,192	\$53,870	\$9,824	\$2,568	\$7,719	-\$8,211	-\$8,211	
Pierce	288,871	185,853	25,738	5,538	20,223	-51,519	-51,519	
Polk	442,893	276,598	44,564	36,519	35,014	-50,198	-50,198	
Portage	613,741	382,807	53,326	59,917	41,899	-75,792	-75,792	
Price	210,775	128,695	23,593	21,285	18,538	-18,664	-18,664	
Racine	3,314,682	2,160,284	421,866	173,528	331,467	-227,537	-227,537	
Richland	175,550	110,998	21,347	15,324	16,773	-11,108	-11,108	
Rock	2,402,697	1,503,188	269,807	219,644	211,992	-198,066	-198,066	
Rusk	212,794	127,561	34,264	38,681	26,922	14,634		\$14,634
St. Croix	561,577	351,759	48,395	36,690	38,024	-86,709	-86,709	
Sauk	698,308	419,744	76,087	99,546	59,783	-43,148	-43,148	
Sawyer	277,938	170,332	31,462	26,802	24,721	-24,621	-24,621	
Shawano	374,750	232,345	44,874	24,701	35,258	-37,572	-37,572	
Sheboygan	1,099,860	655,885	97,042	180,588	76,248	-90,097	-90,097	
Taylor	282,516	188,649	25,367	8,600	19,932	-39,968	-39,968	
Trempealeau	405,223	256,801	33,445	29,696	26,278	-59,003	-59,003	
Vernon	179,679	111,629	22,477	21,655	17,660	-6,258	-6,258	
Vilas	247,515	159,180	21,744	23,344	17,085	-26,162	-26,162	
Walworth	904,519	573,313	114,736	61,504	90,149	-64,817	-64,817	
Washburn	222,766	135,487	26,793	28,482	21,052	-10,952	-10,952	
Washington	844,088	509,478	89,200	86,569	70,086	-88,755	-88,755	
Waukesha	2,265,714	1,401,880	204,977	215,006	161,053	-282,798	-282,798	
Waupaca	520,733	316,254	65,183	53,224	51,215	-34,857	-34,857	
Waushara	223,745	125,069	28,118	39,378	22,092	-9,088	-9,088	
Winnebago	904,298	572,904	139,618	176,481	109,700	94,405		94,405
Wood	798,135	463,430	95,234	135,414	74,826	-29,231	-29,231	
Menominee***	288,749	204,763	26,141	1,559	20,539	-35,747	-35,747	
Lac du Flambeau	162,353	65,084	6,340	3,889	4,981	-82,059	-82,059	
TOTAL	\$ 62,235,971	\$39,040,093	\$ 6,663,955	\$5,423,868	\$5,235,966	-\$5,872,088	-\$6,023,327	\$151,239

*Counties with a loss expended more for child support enforcement than they received in federal and state reimbursements, while counties with a gain earned medical incentive payments that offset the loss of federal and state reimbursements. Medical incentive payments are not subject to the local spending restrictions that govern federal child support incentive payments. Counties may spend medical incentive dollars on any costs; they are not required to reinvest the monies in child support enforcement activities.

**The Florence County contract was decreased by \$574 to reconcile medical incentive advances that were based on prior year's higher earnings.

***The Menominee tribe assumed child support enforcement responsibilities for all of Menominee County in 20002; therefore, no separate listing for that county appears in this table.

Source: Department of Workforce Development

ATTACHMENT 3

Child Support Collections and Costs by County* Federal Fiscal Year 2001

County	Child Support Collections			Child Support Enforcement Costs**
	TANF Cases	Non-TANF Cases	Total	
Adams	\$112,168	\$1,952,197	\$2,064,365	\$186,349
Ashland	150,621	2,690,523	2,841,144	263,535
Barron	451,252	5,265,199	5,716,451	593,533
Bayfield	65,619	1,662,662	1,728,281	168,689
Brown	901,824	29,666,767	30,568,591	2,438,199
Buffalo	83,950	1,343,965	1,427,915	172,934
Burnett	149,846	1,727,093	1,876,939	278,889
Calumet	81,398	3,776,445	3,857,843	422,743
Chippewa	272,447	6,068,941	6,341,388	683,681
Clark	118,287	2,604,864	2,723,151	379,243
Columbia	353,021	4,681,247	5,034,268	701,788
Crawford	112,669	1,759,226	1,871,895	199,699
Dane	1,717,296	40,060,997	41,778,293	3,967,262
Dodge	397,759	10,124,536	10,522,295	924,762
Door	103,599	3,559,871	3,663,470	387,766
Douglas	396,539	6,108,512	6,505,051	719,064
Dunn	226,638	3,302,222	3,528,860	499,085
Eau Claire	650,117	9,169,084	9,819,201	902,691
Florence	33,016	545,332	578,348	84,218
Fond du Lac	490,498	10,271,348	10,761,846	960,588
Forest	138,026	1,513,081	1,651,107	180,620
Grant	147,177	4,043,816	4,190,993	375,682
Green	149,244	3,322,939	3,472,163	244,002
Green Lake	116,123	2,454,145	2,570,268	218,759
Iowa	81,963	2,384,629	2,466,592	207,865
Iron	25,267	550,813	576,080	86,654
Jackson	179,556	2,203,136	2,382,692	301,470
Jefferson	477,620	8,696,792	9,174,412	857,574
Juneau	128,668	2,976,594	3,105,262	335,293
Kenosha	1,481,595	14,236,048	15,717,643	3,555,663
Kewaunee	57,772	1,799,998	1,857,770	199,416
La Crosse	594,239	8,424,761	9,019,000	651,306
Lafayette	65,537	1,401,278	1,466,815	97,675
Langlade	175,051	2,254,878	2,429,929	378,888
Lincoln	192,122	3,437,562	3,629,684	359,688
Manitowoc	465,412	9,135,658	9,601,070	730,193
Marathon	581,576	12,893,280	13,474,856	1,026,355
Marinette	194,634	5,920,360	6,114,994	433,313
Marquette	60,110	1,590,266	1,650,376	174,551
Milwaukee	11,381,968	99,349,937	110,731,905	14,795,378

ATTACHMENT 3 (continued)

**Child Support Collections and Costs by County*
Federal Fiscal Year 2001**

County	Child Support Collections			Child Support Enforcement Costs**
	TANF Cases	Non-TANF Cases	Total	
Monroe	\$204,341	\$4,522,031	\$4,726,372	\$269,867
Oconto	150,640	3,655,192	3,805,832	351,684
Oneida	225,716	4,966,642	5,192,358	339,350
Outagamie	926,508	16,912,605	17,839,113	1,686,110
Ozaukee	108,744	4,837,396	4,946,140	416,986
Pepin	20,883	702,233	723,116	82,192
Pierce	128,408	2,369,369	2,497,777	288,871
Polk	179,668	4,433,900	4,613,568	442,893
Portage	168,589	5,606,949	5,775,538	613,741
Price	102,320	1,754,900	1,857,220	210,775
Racine	2,714,278	27,265,504	29,979,782	3,314,682
Richland	75,646	2,135,323	2,210,969	175,550
Rock	1,570,372	16,079,474	17,649,846	2,402,697
Rusk	155,056	1,776,848	1,931,904	212,794
St. Croix	239,483	5,057,301	5,296,784	561,577
Sauk	389,533	6,348,528	6,738,061	698,308
Sawyer	136,704	1,924,096	2,060,800	277,938
Shawano	226,060	4,211,697	4,437,757	374,750
Sheboygan	602,436	10,749,744	11,352,180	1,099,860
Taylor	94,554	2,538,761	2,633,315	282,516
Trempealeau	156,778	2,948,489	3,105,267	405,223
Vernon	110,906	2,040,196	2,151,102	179,679
Vilas	80,901	1,600,601	1,681,502	247,515
Walworth	715,991	11,414,532	12,130,523	904,519
Washburn	150,968	1,694,327	1,845,295	222,766
Washington	379,939	8,523,547	8,903,486	844,088
Waukesha	895,232	18,485,647	19,380,879	2,265,714
Waupaca	196,616	6,623,358	6,819,974	520,733
Waushara	116,066	2,851,688	2,967,754	223,745
Winnebago	524,885	17,676,419	18,201,304	904,298
Wood	361,391	9,914,367	10,275,758	798,165
Lac du Flambeau Tribe	77,569	439,559	517,128	162,353
Menominee Tribe***	100,735	698,650	799,385	288,749
Total	\$35,850,140	\$547,690,855	\$583,540,995	\$62,215,971

*Does not include amounts paid to families who do not use county child support enforcement services.

**Costs are for calendar year 2001.

***The Menominee tribe assumed child support enforcement responsibilities for all of Menominee County in 2000; therefore, no separate listing for that county appears in this table.

Source: Department of Workforce Development

APPENDIX

Licenses and Credentials Subject to Suspension Requirements for Failure to Pay Support or Comply with a Warrant or Subpoena

The following licenses and credentials are subject to suspension for failure to pay support or comply with a warrant or subpoena:

a. A license to act as a lobbyist or a registration issued to a principal for the purpose of lobbying.

b. An approval of a fish and game license by the Department of Natural Resources (DNR).

c. A license issued by the Department of Health and Family Services for a child welfare agency, group home, shelter care facility, day care center, foster home, treatment foster home, or a county department of human/social services; or issued by the Department of Corrections for a secured child caring institution operated by a child welfare agency.

d. A certification, license, training permit, registration, approval, or certificate issued to medical assistance providers, ambulance service providers, emergency medical technicians, operators of defibrillators, first responders-defibrillators, sanitarians, tattooists, body piercers, individuals who perform lead hazard reduction or lead management activities, lead training instructors, individuals performing asbestos abatement or management activities, individuals performing food protection activities, and persons who operate campgrounds, swimming pools, camping resorts, recreational and educational camps, hotels, other lodging establishments, restaurants, vending machines, or tanning facilities.

e. A business tax registration certificate issued by the Department of Revenue.

f. Specified licenses, registrations, registration certificates, or certifications issued by the Department of Agriculture, Trade, and Consumer Protection.

g. Specified licenses, permits, or certificates of certification or registration issued by the Department of Commerce regarding the regulation of industry, buildings, and safety.

h. A license issued by DWD for: appearing on behalf of an individual in a worker's compensation hearing; employers of persons unable to earn the living wage in sheltered workshops and other settings; and employment agents.

i. A certificate issued by DWD to an employer in a house-to-house street trade, a migrant labor contractor, or an operator of a migrant labor camp.

j. A license or permit issued under state provisions relating to general school operations.

k. A license or certificate of registration issued by the Department of Financial Institutions under provisions relating to precomputed loans, insurance premium finance companies, sellers of checks, sales finance companies, adjustment service companies, collection agencies, community currency exchanges, mortgage bankers, loan originators, loan solicitors, securities brokers-dealers, agents, or investment advisors.

l. A permit issued by the Board of Commissioners of Public Lands to raise and remove sunken logs from submerged land owned

by the state.

m. A certification by the Law Enforcement Standards Board for a law enforcement, tribal law enforcement, jail, or secure detention officer.

n. A license, permit, or registration issued under provisions relating to motor vehicle manufacturers, distributors, dealers, and salespersons, mobile home dealers and salespersons, motor vehicle salvage dealers and buyers, motor vehicle auction dealers, moped dealers, motor vehicle transporters, analysis of blood and urine tests, driving schools, and driving instructors.

o. Specified licenses, registrations, or certifications issued by DNR relating to drinking water, water quality, servicing of septic tanks, solid waste disposal and incineration, and transporting hazardous waste or medical waste.

p. A motor vehicle operator's license or, with respect to restriction, limitation or suspension, an individual's operating privilege.

q. A credential, which means a license, permit, certificate or registration that is granted by the

Department of Regulation and Licensing (R&L) or under state law relating to the regulation of nursing, accounting, architects, geologists, engineers, surveyors, boxing, funeral directors, chiropractors, dentistry, medical practices, optometry, pharmacy, acupuncture, real estate practice and appraisal, veterinary services, barbering, cosmetology, psychology, nursing home administration, social work and counseling, hearing and speech examination, and auctioneers.

r. A bingo supplier's license or a license issued under provisions relating to racing and pari-mutuel wagering.

s. A license issued under provisions relating to insurance agents, viatical settlement providers and brokers, and administrators of employee benefit plans; or a temporary license issued to an insurance marketing intermediary.

t. A license to practice law.

u. A fishing approval issued by the Lac du Flambeau Band of the Lake Superior Chippewa (subject to cooperation with the Lac du Flambeau).